

OBEY SAYS MIDDLE CLASS FAMILIES WITH INSURANCE & SMALL BUSINESSES WILL BENEFIT FROM HEALTH INSURANCE REFORM

Reform to Improve Reliability & Affordability for the Already Insured

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SUPERIOR, WI – Average working families with insurance and small businesses have a lot to gain from health insurance reform, Seventh District Congressman Dave Obey (D-WI) said at a meeting with labor leaders today in Superior.

“It’s not only the millions of people who will be able to afford health insurance for the first time who will benefit from reform. There will be a long list of benefits that will go to workers who already have insurance when the bill becomes fully effective over the next four years,” Obey said.

“Insurance companies won’t be able to deny you coverage or charge you more because of a pre-existing condition like diabetes or heart disease. They won’t be able to charge you forty percent more because you are a woman. They won’t be able to qualify to participate in health insurance exchanges if they jack up their premiums every year. And you won’t need to worry that if, God forbid, you or your spouse gets seriously ill and rack up \$40,000 or \$50,000 in medical bills that your insurance company will drop you because you are now ‘too expensive’ to cover,” Obey said. “I’ve heard hundreds of stories like that over the years and it’s just not right.”

Obey also said that millions of families will qualify for financial assistance and tax credits to help make their health insurance more affordable. He gave an example of a family of four making \$50,000 a year currently purchasing their plan in the non-group market. He said that family could receive financial assistance and tax credits to make their health insurance more affordable.

And while it “won’t happen overnight,” Obey said that a second goal of reform is to slow the explosion of health care costs. “The status quo left the insured holding the bag,” Obey added. “Today, when uninsured people go to the emergency room and cannot pay for their treatment, that cost is shifted to everyone else. That amounts to a ‘hidden tax’ of about \$1,000 a year for people with insurance. Getting a handle on that problem should result in a large cost savings for people who do have insurance.”

Obey also said that the bill contains a number of advantages for small businesses. Businesses employing fewer than 50 people, approximately 90 percent of all small business, will be exempt from the requirement to provide health insurance for their employees. If a small business chooses to provide health insurance anyway, insurance companies won’t be able to charge them 20 percent more than big businesses, which is now often the practice. If the small business employs 25 people or fewer and chooses to provide insurance, the business will be eligible for a tax credit to make doing so more affordable. Obey said that small business would also benefit from new legislation that provides tax cuts to small businesses that add workers to the payroll.

“Health reform will also help on the jobs front,” Obey said. “We got good news last week that

we went from losing over 700,000 jobs a month before we passed the Recovery Act in February to adding over 160,000 jobs last month. But there is still the nagging problem of long-term joblessness. Health insurance reform should help with that because it is expected to create the need for an additional four million health care workers in the next decade.”

Obey said that Congress anticipated that need and took action in the reform package to save \$68 billion by eliminating the middle man role that banks have played in providing student loans. Those savings will help to greatly enhance Pell grants to provide educational opportunities for the middle class and help laid off workers who need to upgrade their skills in order to get a new job in areas of the economy, like health care, that are projected to provide the greatest growth.

“The reform bill isn’t perfect, and just like Social Security and Medicare it will need adjusting as we move into implementation. But millions of hardworking American families and businesses will benefit from this.”

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